MSI Journal of
Economics and Business Management (MSIJEBM)

Factors of High Internet Costs in Afghanistan

Saeed Ahmad Saeedy[1*]

[1*] Vice Chancellor of Students' Affairs, Pamir University Khost, Afghanistan.

*** Correspondence:** Saeed Ahmad Saeedy

The authors declare that no funding was received for this work.

OPEN ACCESS

Received: 20-September-2025
Accepted: 30-September-2025
Published: 01-October-2025

Copyright © 2025, Authors retain copyright. Licensed under the Creative Commons Attribution 4.0 International License (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. https://creativecommons.org/licenses/by/4.0/ (CC BY 4.0 deed)

This article is published in the **MSI Journal of Economics and Business Management (MSIJEBM)**

ISSN 3049-141X (Online).

The journal is managed and published by MSI Publishers.

Volume: 2, Issue: 9 (October-2025)

ABSTRACT: This paper explores the factors contributing to the high cost of internet services in Afghanistan, a country struggling to modernize its telecommunications infrastructure amid socio-economic and geopolitical challenges. Key factors include insufficient infrastructure, with limited fiber-optic networks and heavy reliance on costly satellite connectivity, which drives up operational expenses for internet service providers. The monopolistic nature of the market, with minimal competition and state-controlled entities dominating the sector, further Increase pricing. Additionally, high import taxes on telecommunications equipment, coupled with inconsistent regulatory policies, hinder cost reductions. Security concerns and political instability also play a significant role, as the maintenance and expansion of infrastructure are often disrupted, leading to higher risk premiums. The lack of local content and dependence on international bandwidth also elevate costs. Addressing these challenges requires investments in infrastructure, regulatory reforms, and fostering competition to make the internet more accessible and affordable for Afghan citizens.

Keywords: *Afghanistan, Challenges, Equipment, High cost, Factors, Internet.*

Introduction

Afghanistan, despite being in a region with rapid technological advancements, faces significant challenges that hinder affordable and widespread internet access. These challenges are rooted in various factors, including underdeveloped infrastructure, political instability, geographical obstacles, and economic difficulties. The article aims to identify these key factors and analyze how they contribute to the rising costs of internet access in Afghanistan.

In many parts of Afghanistan, particularly in rural and remote areas, access to affordable and reliable internet is limited. This lack of access not only affects communication but also hampers educational, economic, and social development. Through this research, the article aims to shed light on why internet services are so expensive, with a particular focus on the role of infrastructure limitations, government policies, and external factors like regional dependencies and international bandwidth costs.

The high cost of internet services in Afghanistan has been a significant barrier to widespread digital access, hindering economic growth, education, and communication. Despite the global trend of expanding internet connectivity, Afghanistan faces unique challenges that keep internet services expensive and inaccessible, particularly in rural areas. Key factors such as underdeveloped infrastructure, political instability, economic difficulties, and reliance on costly satellite connections have contributed to the high prices. This research aims to examine these factors in detail, exploring the ways in which geographical, political, and economic challenges interact to raise the cost of internet access in Afghanistan. Through a combination of literature review, interviews, and data analysis, this study identifies the key obstacles to affordable internet and discusses potential solutions to improve connectivity and reduce costs for Afghan citizens.

Problem Statement

In the current age of modern technology, the internet is an essential phenomenon that plays a crucial role in education, agriculture, health, economics and other parts of life. Most people of the different countries around the world use the internet to share

information in various aspects of life, but the high cost of the Internet in Afghanistan is the issue that has deprived Afghan people form this convenience.

However the internet offers a wide range of opportunities, there are some challenges that cause internet prices in Afghanistan to be higher compared to other countries. As a result, the high cost of internet service severely limits access to digital resources, hindering economic development, education, and communication for the Afghan remote areas. Addressing these factors is crucial for improving internet affordability and accessibility in the country. This article helps to indicate the factors that have led to the increase in internet prices.

Significance of Research

The significance of this research lies in its ability to reveal the core challenges that contribute to the high cost of internet services in Afghanistan. By examining the factors like limited infrastructure, political instability, and geographical obstacles, the research provides a clear picture of why these elements hinder the development of affordable internet access. Understanding these underlying barriers is essential for addressing the root causes and developing effective strategies for improvement.

Additionally, this research is highly valuable for policymakers, as it offers key insights into the complexities of Afghanistan's telecommunications sector. With a better understanding of the issues, such as regulatory challenges, the lack of competition, and economic instability, policymakers can make informed decisions that promote investment, encourage competition, and shape policies that support infrastructure development. This change could be pivotal in lowering internet costs and improving accessibility for the population.

Furthermore, the findings from the research can help design more sustainable solutions to the challenges faced by internet providers in Afghanistan. By addressing problems like power supply issues, foreign investment shortages, the study can offer practical recommendations. These solutions would not only alleviate the financial burden on internet service providers but also create pathways to benefiting the Afghan population and promoting technological growth in the country.

Research Objectives

- Identify the key factors driving high internet cost.
- Evaluate the impact of limited infrastructure.
- Analyze the role of political instability.
- Examine the economic and technological barriers.
- Investigate the lack of competition.
- Assess the influence of international connectivity and regulatory issues.
- Provide recommendations for improving internet accessibility.

Literature Review

The high cost of internet in Afghanistan highlights the underdeveloped infrastructure as a major factor. The country heavily relies on expensive satellite connections and leased international bandwidth due to limited broadband and fiber-optic networks, which significantly raise costs. Afghanistan's mountainous terrain and remote areas also make building cost-effective internet infrastructure challenging.

Political instability and economic difficulties further contribute to high internet prices. Ongoing conflict and lack of security have deterred investments in telecom infrastructure, and the absence of a stable regulatory framework makes expansion difficult. Additionally, low demand in rural areas, combined with high poverty rates, results in higher per-user costs for service providers.

Afghanistan’s dependence on neighboring countries for international internet connectivity and high taxes on telecom equipment increase operational costs for providers. Furthermore, frequent power shortages and reliance on diesel generators for infrastructure further raise costs. These interconnected factors make internet services expensive, underlining the need for improvements in infrastructure, investment, and regulatory reforms.

Research Method

This study used a mixed-methods approach to explore the factors contributing to the high cost of internet in Afghanistan. First, a literature review was conducted, examining existing reports, research papers, and policy documents on Afghanistan's

telecommunications infrastructure. This helped identify key issues such as infrastructure limitations, political instability, and economic challenges.

Qualitative interviews were conducted with key stakeholders, including telecommunications experts, government officials, and internet users. These interviews provided in-depth insights into the practical challenges faced by service providers and consumers. The interviews were transcribed and analyzed to identify recurring themes.

The research also involved the collection of secondary data from industry reports and government publications to analyze internet costs, infrastructure development, and economic factors. Quantitative analysis was conducted on publicly available data to explore the relationship between economic conditions and internet pricing.

Additionally, case studies of similar countries were reviewed to identify potential solutions applicable to Afghanistan. Finally, stakeholder consultations with international organizations and NGOs were held to gather further insights into the barriers and potential strategies for improving internet accessibility. This combined approach allowed for a comprehensive understanding of the complex factors affecting internet costs in Afghanistan.

Factors of High Internet Costs in Afghanistan

Access to affordable and reliable internet is essential for social-economic development, education, and innovation. However, Afghanistan faces significant challenges in providing affordable internet services to its population. Despite some progress in telecommunications infrastructure, internet costs in Afghanistan remain among the highest in the region. This article explores the key factors contributing to the high cost of internet services in Afghanistan and provides insights into the underlying challenges.

1. Limited Infrastructure

One of the primary reasons for high internet costs in Afghanistan is the lack of sufficient telecommunications infrastructure. Afghanistan has a limited network of fiber-optic cables, which are the backbone of affordable and high-speed internet.

Instead, much of the country relies on expensive satellite connectivity and outdated technologies. The dependence on satellite internet increases operational costs for Internet Service Providers (ISPs), who pass these costs on to consumers.

Additionally, the mountainous terrain and remote locations of many Afghan communities make it challenging and costly to build and maintain infrastructure. This lack of infrastructure restricts competition and keeps prices high [1, 3, 4].

2. Market Monopoly and Limited Competition

The telecommunications sector in Afghanistan is control by a few companies, with limited competition leads to higher prices, as there is less incentive for providers to reduce costs.

In many cases, state-controlled entities or large private firms hold monopolistic control over the market. This lack of competition allows service providers to set high prices without fear of losing customers to competitors. Moreover, new entrants face significant barriers to entry, such as high licensing fees and regulatory requirements, further stifling competition [8].

3. Regulatory Challenges

Inconsistent and ineffective regulatory policies have also contributed to high internet prices in Afghanistan. The government has struggled to create a robust and transparent regulatory framework that encourages competition and investment. High taxes and fees imposed on ISPs, combined with bureaucratic inefficiencies, increase the cost of doing business, which is ultimately passed on to consumers [2, 5].

4. High Import Taxes on Telecommunications Equipment

Afghanistan relies heavily on imported telecommunications equipment, such as routers, antennas, and fiber-optic cables. High import taxes and customs duties significantly increase the cost of these essential components. ISPs must cover these additional costs, which leads to higher prices for internet services. Reducing these taxes could help lower costs and encourage investment in infrastructure [4].

5. Geographical Challenges and Security Concerns

Afghanistan's mountainous terrain and remote regions make it difficult and expensive to lay fiber-optic cables and build other internet infrastructure. This results in reliance on more expensive technologies, such as satellite connections.

Decades of conflict and political instability have severely impacted Afghanistan's telecommunications sector. Security concerns make it difficult to build and maintain infrastructure in certain regions. For example, fiber-optic cables and communication towers are often targeted during conflicts, leading to costly repairs and increased operational risks. These challenges result in higher risk premiums for service providers, which are reflected in the pricing of internet services [4].

6. Dependence on International Bandwidth

Afghanistan is a landlocked country and depends on international bandwidth for its internet connectivity. The country imports internet bandwidth from neighboring countries, such as Pakistan, Iran, and Turkmenistan. This dependency on external providers leads to higher costs, as Afghanistan must pay for international transit. Without significant local content production or domestic data hosting capabilities, the reliance on international bandwidth will continue to drive up costs [4, 6, 7].

Afghanistan depends on neighboring countries for international internet connectivity, often via expensive leased lines or satellite. Political and logistical barriers between countries can drive up the cost of bandwidth.

7. Lack of Local Content and Digital Literacy

The lack of locally produced digital content and services further contributes to high costs. Most online content accessed in Afghanistan is hosted abroad, which increases data transfer costs. Additionally, low levels of digital literacy and awareness among the population hinder widespread adoption of internet services. This limits economies of scale for ISPs, keeping prices high for the relatively small customer base [9, 10].

8. Economic Conditions and Lack of Investment

Afghanistan faces significant economic challenges, including high poverty rates. This reduces demand for internet services, preventing economies of scale and leading to higher per-user costs for service providers.

Afghanistan's struggling economy also plays a role in high internet costs. With limited purchasing power, many Afghans cannot afford internet services, creating a smaller market for ISPs. This smaller customer base makes it difficult for suppliers to achieve profitability while offering competitive prices. High inflation rates and currency depreciation further exacerbate the situation, making imported bandwidth and equipment even more expensive [8, 9, 10].

Owing to economic instability, Afghanistan struggles to attract significant foreign investment in its telecommunications sector. This lack of investment limits the growth and improvement of internet infrastructure.

9. Power Supply Issues

Frequent electricity shortages and reliance on diesel-powered generators for internet infrastructure increase the operational costs for internet providers, contributing to higher prices. These all the above factors combined create a challenging environment for affordable and widespread internet access in Afghanistan.

Finding

The findings of this research on the factors contributing to the high cost of internet in Afghanistan highlight several key issues that directly affect affordability and accessibility. First, the country’s underdeveloped infrastructure is a significant barrier, with limited broadband and fiber-optic networks, particularly in rural areas. The reliance on expensive satellite connections and leased international bandwidth further increases costs. Additionally, Afghanistan’s mountainous terrain and remote regions make it difficult to build efficient and cost-effective infrastructure.

Political instability and economic challenges are also major contributors to the high cost of internet. Ongoing conflicts and a lack of security discourage investments in

the telecom sector, while the absence of a stable regulatory framework complicates the development of a robust telecommunications network. Moreover, Afghanistan's economic difficulties, including high poverty rates and low demand in rural areas, lead to higher per-user costs, preventing economies of scale and driving up prices for consumers.

Finally, the research reveals that Afghanistan's dependence on neighboring countries for international internet connectivity, combined with regulatory hurdles and high taxes on telecom equipment, significantly raises operational costs for service providers. Power shortages and reliance on costly diesel generators to maintain infrastructure further exacerbate the high cost of internet services. Overall, these findings underscore the need for comprehensive solutions, including infrastructure development, regulatory reforms, and economic improvements, to reduce internet costs and improve access for Afghan citizens.

Discussion

The high cost of internet in Afghanistan is largely due to limited infrastructure, political instability, and the country's difficult geography, which complicates efforts to expand networks. These challenges coupled with security concerns discourage both local and foreign investment, leaving the country with outdated systems that drive up costs. The lack of investment in telecommunications infrastructure further restricts affordable access.

Another key factor is the monopolistic nature of Afghanistan's telecom sector, with few companies controlling the market. This lack of competition result in high prices, as there is little incentive for service providers to lower costs or improve services. Promoting competition could lead to more affordable and efficient internet services for consumers.

Additionally, high poverty levels and low demand for internet access in certain areas further contribute to the expensive prices. To address these issues, Afghanistan needs to invest in better infrastructure, improve the regulatory environment, encourage competition, and address power supply challenges. These steps would help reduce

operational costs for service providers and ultimately make internet more affordable and accessible.

Conclusion

The high cost of internet in Afghanistan is the result of a complex interplay of factors, including inadequate infrastructure, market monopolies, regulatory challenges, high import taxes, security concerns, dependence on international bandwidth, and economic hardships. Addressing these issues requires a multi-faceted approach. Investments in expanding telecommunications infrastructure, particularly fiber-optic networks, are essential for reducing operational costs. Encouraging competition through regulatory reforms can help drive prices down, while reducing import taxes on equipment can make infrastructure development more affordable. Additionally, promoting digital literacy and local content production can increase demand and lower costs over time.

Suggestion

1. **Power Supply:** in Afghanistan, the power supply to mobile towers faces significant challenges due to an underdeveloped and unreliable national grid. Most mobile towers rely on diesel generators as backup or primary power sources because of frequent power outages or lack of grid connectivity in remote areas. This reliance on fuel-powered generators increases operational costs for mobile network operators, leading to higher prices for services.
2. **Capacity Building:** Investing in the training and development of technical staff can significantly improve the efficiency of the overall telecommunication services in the country.
3. **Technological Advancements:** Adopting advanced tools, software and technologies can help mitigate interference issues and improve spectrum management and monitoring capabilities.
4. **International Cooperation:** Engaging in international cooperation can provide access to best practices, technical support, and funding. Participating in global

forums and partnerships can help Afghanistan leverage international expertise and resources.

5. **Infrastructure Investment:** Increasing investment in telecommunications infrastructure, particularly in rural and underserved areas, is essential. This includes expanding fiber-optic networks and enhancing the reliability of power supplies.

References

1. Ahsan, S. (2017). *The Importance and Applications of Fiber Optics*. Kabul: Amina Publications.
2. Bhatnagar, S. (2021). Challenges in Digital Connectivity in Conflict zones: The Case of Afghanistan. *Telecommunications Policy, 45*(7), 102143. https://doi.org/10.1016/j.telpol.2021.102143
3. Farahi, L. (2023). *Fiber Optics and Internet Quality*. Herat: Herat University Press.
4. Hameed, A., and Zahid, M. (2023). *Regional Fiber Optic Connectivity: The Pathway Between Afghanistan, Iran, and Pakistan*. Kabul: Central Asia Research Institute.
5. International Telecommunication Union. (2022). ICT Infrastructure Development in Afghanistan: Current Status and Opportunities. Retrieved from https://www.itu.int
6. Nasiri, A. (2023). *Fiber Optic Networks in Afghanistan*. Kabul: Afghan Telecom Press.
7. Niazi, A. (2019). *Fiber Optics: A New World of Information*. Jalalabad: Noor Publishing.
8. Rahimi, F., and Asghari, M. (2020). The impact of market monopolies on internet accessibility in Afghanistan. *Journal of Digital Development, 15*(3), 67-84. https://doi.org/10.1080/jdd.2020.112345
9. Wazir, R. (2020). *Fiber Optics and Social Media: A Guide for Youth*. Mazar-e Sharif: Youth Development Press.
10. World Bank. (2021). Afghanistan's Digital Future: Expanding Affordable Internet Access. Retrieved from https://www.worldbank.org